

Integrated Programme on Supply chains

Eliminating hazardous chemicals from supply chains



Food and Agriculture
Organization of the
United Nations



UN
environment
programme



Programmatic report
June 2023 - June 2024



List of abbreviations

ENB	<i>The Earth Negotiations Bulletin</i>
FAO	<i>Food and Agriculture Organization of the United Nations</i>
GCP	<i>Global Coordination Project</i>
GEBs	<i>Global Environmental Benefits</i>
GEF	<i>Global Environment Facility</i>
GEFSEC	<i>Secretariat of the Global Environment Facility</i>
GHG	<i>Greenhouse Gas</i>
IISD	<i>International Institute for Sustainable Development</i>
IP	<i>Integrated Programme</i>
M&E	<i>Monitoring and Evaluation</i>
OECD	<i>Organisation for Economic Co-operation and Development</i>
OFPs	<i>Operational Focal Points</i>
PAG	<i>Programme Advisory Group</i>
POPs	<i>Persistent Organic Pollutants</i>
PPG	<i>Project Preparation Grant</i>
TEQ	<i>Toxic Equivalent</i>
UNDP	<i>United Nations Development Programme</i>
UNEP	<i>United Nations Environment Programme</i>
UNIDO	<i>United Nations Industrial Development Organization</i>

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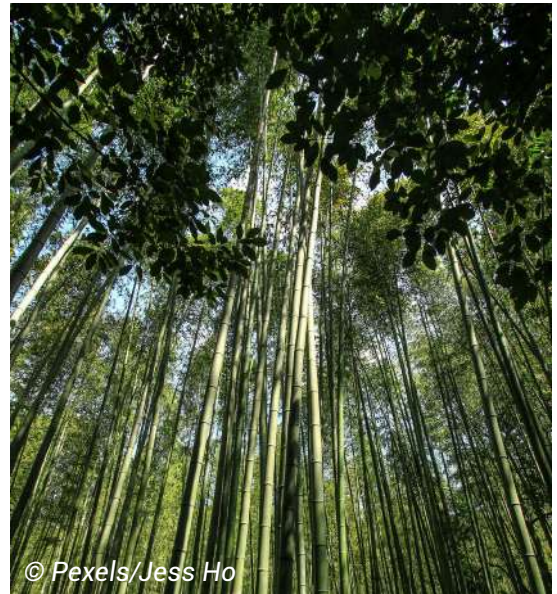


Integrated Programme on Supply Chains

Introduction

The Global Environment Facility (GEF), in collaboration with the United Nations Environment Programme (UNEP) and supported by the United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), and the Food and Agriculture Organization of the United Nations (FAO), is assisting developing countries in tackling some of the world's most pressing environmental challenges.

In 2024, a new integrated programme (IP) on Eliminating Hazardous Chemicals from Supply Chains will be launched to promote more sustainable supply chains in the fashion and construction industries. The integrated approach taken will address the impacts of these sectors on biodiversity loss, chemicals and waste, climate change, international waters, and land degradation.



The IP includes national projects in Costa Rica, Ecuador, Peru, Trinidad & Tobago, Cambodia, India, Mongolia and Pakistan, working in alignment and coordinated by a global coordination project (GCP) led by UNEP, Figure 1.

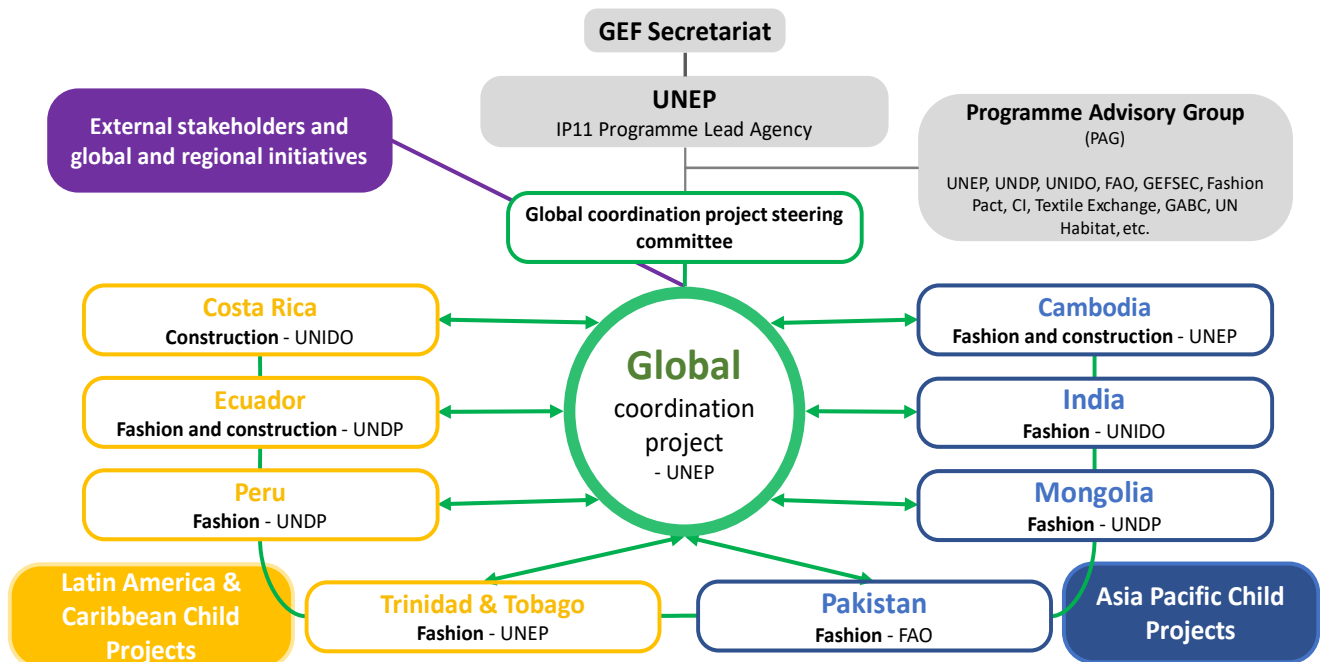


Figure 1: Overview of the integrated programme (IP) on Eliminating Hazardous Chemicals from Supply Chains

This publication is the first Annual Programmatic Report presenting the programme and reporting on progress made between June 2023 when the GEF Council approved the concept, until June 2024 when project proposals for the country projects were submitted.

Programme Summary

Rationale

The construction and fashion sectors both play key roles in driving industrialization, trade, development, and social progress. At all stages in their value chains, raw materials and energy are required and emissions are released into the environment contributing to pollution, greenhouse gas (GHG) emissions, land degradation, water pollution, and threats to biodiversity. Construction and fashion are among the most chemical-intensive industry sectors.

The nine IP child projects, Figure 1, will stimulate transformation in the two value chains to substitute resource-intensive methods and materials with sustainable approaches and alternatives and establish and reinforce circular and transparent supply chains. This will contribute global environmental benefits to climate, biodiversity, pollution, and socio-economic issues, thus avoiding the business-as-usual scenario of exacerbated environmental degradation, resource depletion, and social inequality.



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Programme aim and objective

The aim of the supply chains IP is to address the significant environmental impacts of the fashion and construction sectors, which include land use, resource depletion, harmful/hazardous chemical use and pollution, and greenhouse gas emissions.

Its primary objective is to promote transformational change in the fashion and construction sectors by replacing resource-intensive processes and materials with sustainable approaches and alternatives and creating and strengthening circular and transparent supply chains.

Expected programmatic outcomes

The IP is structured around five outcomes addressing behaviour shifts across the value chains of the two sectors.

1. Designers develop, use and make innovative regenerative products available, using circular business models.
2. Buyers use sustainably sourced, innovative, responsibly managed, recycled and recyclable, regenerative or nature-based materials, in products.
3. Manufacturers apply production and manufacturing processes that require less water, energy and no hazardous chemicals, produce less pollution and waste.
4. Consumers and markets have access to innovative products and shift behaviour to favour longevity over unnecessary consumption.
5. Retailers and waste managers implement reverse logistics processes which return products and materials for reuse or recycle.

The programme invests \$45 million to re-orient action in each supply chain and leverages more than \$281 million in additional co-financing, Table 1.

GEF Agency	Country	Supply Chain(s)	GEF Financing	Co-financing to date
UNEP	Cambodia	Fashion and Construction	6m	36.5m
UNIDO	India	Fashion	7.8m	48m
UNDP	Mongolia	Fashion	3.3m	40.1m
FAO	Pakistan	Fashion	3.3m	17m
UNIDO	Costa Rica	Construction	4.2m	42m
UNDP	Ecuador	Fashion and Construction	5.6m	46.6m
UNDP	Peru	Fashion	4.2m	41.8m
UNEP	Trinidad and Tobago	Fashion	2.6m	14m
UNEP	Global	Fashion and Construction	8.7m	26.9m

Table 1: Overview of the child projects

Key global environmental benefits (GEBs)

Through its efforts, the IP will promote regenerative design, the substitution of non-renewable materials, resource-efficient production, improved purchasing behavior, and post-use collection, and strive to achieve various GEBs.



Mitigate **7.9 million** tons of GHG emissions



Improve the lives of **1.5 million people** globally



Reduce and/or avoid **107 gTeQ emissions** of persistent organic pollutants (POPs) into air



Reduce **34,589 tons** of chemicals of global concern and their waste



Restore **317,000 hectares** of land and ecosystems



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Progress Report 2023-2024

In its role as the lead agency for the IP, UNEP is providing a first Annual Report on progress with the design and delivery of the IP.

The programme framework document of the IP was approved by the GEF Council in June 2023. By 29 June 2024, the GCP was approved for implementation, and 6 of the 8 remaining country child projects had submitted their CEO endorsement packages for review by the GEFSEC. The Peru and India child projects were granted a two-month extension period to make their submissions, by 29 August 2024.

Updates on context

Since the approval of the IP in June 2023, trends and emerging issues in the two sectors have continued to demonstrate the relevance and urgency of the IP.



© IISD/ENB | Mike Muzurakis. Adoption of the Global Framework on Chemicals, September 2023.

In the chemicals management space, the adoption of the Global Framework on Chemicals in September 2023 confirmed the importance of the fashion and construction sectors for chemical management. Other global events and initiatives by the private sector and other stakeholders show an increasing appetite for cooperation which the IP will aim to harness. For example, the 'Buildings Breakthrough' and Stella McCartney installations at COP28 in Dubai showcasing innovative materials, the Organisation for Economic Co-operation and Development (OECD) forum on due diligence in the garment and footwear sector, the global forum on buildings and climate and the future fabrics expo. Meanwhile the rapid evolution of policy such as eco-design legislation and 'forever chemicals' controls in European Union and United States markets, confirm the relevance of the policy coherence and access to finance levers that are the backbone of the IP.



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New developments within the GEF family include the development and approval of relevant 'cousin' projects which are being actively involved in the project preparation grant (PPG) and global coordination. These include concepts submitted on building sector in Morocco "eliminating hazardous chemicals from the supply chain of the construction sector in Morocco" (GEF ID 11428); the "Transforming the Fashion Sector to Drive Positive Outcomes for Biodiversity, Climate, and Oceans" project by Conservation International/UNEP (GEF ID 11428); and a non-grant instrument project approved with the International Finance Corporation. Existing relevant regional and country projects on textiles in Asia and Africa, and on green chemistry and construction, are providing useful baseline context and early learnings for the IP.

Updates on programme child projects

The global coordination child project (GEF ID 11177) is being executed by UNEP's Knowledge and Risk Unit. The PPG was concluded in Q2 of 2024, with the PPG validation meeting convened on 11 March 2024 and initial submission of the child project in the GEF Portal on 4 April 2024. The project was approved for implementation on 13 June 2024.

During the PPG period a number of coordination meetings with the countries, including GEF Operational Focal Points (OFPs) and their representatives, and the Implementing and Executing Agencies, were convened by the Lead Agency. These included face to face meetings held in Geneva (October 2023, March 2024) and virtual meetings for countries (November 2023, March 2024) to review and provide input into the global coordination platform design.

Bi-weekly coordination calls were established with all child projects, and the global coordination project was presented at all national child project PPG inception and validation meetings. The first country consultation meeting was held virtually on 21 and 22 November 2023. The objectives were to share information on the IP with all country representatives, present and discuss the global coordination child project to ensure it meets the needs of the participating countries, present the shared timelines of child project development and obtain support to ensure timely and coordinated completion of PPG.

The GCP validation meeting was convened on 11 March 2024, to receive inputs comments or objections on the draft CEO Endorsement Request document and its annexes and appendices. The document and its appendices and annexes were approved by all the meeting participants and cleared for submission.



The GCP is composed of two main components on knowledge generation and on triggering stakeholder action through a comprehensive communications, capacity and coordination strategy. The global platform also includes a reinforced component on monitoring and evaluation to cover both the coordination project and programmatic M&E and learning. The knowledge management strategy outline and communications strategy outline were both developed as part of the submission package, to be further refined and validated during inception of the global coordination project (anticipated in Q3/Q4 of 2024).

The national child projects as summarised in Table 1, page 3, were all approved in June 2023 and kicked off PPG activities in Q3 2023. National PPG inception meetings were held in all countries including presentation of the IP programmatic approach and expectations of country participation in the Supply Chains IP.

Baseline data collection, stakeholder and cofinancing partner engagement, and project intervention design continued throughout Q4 of 2023 and Q1 of 2024. Draft CEO Endorsement Request documents were completed in early Q2 with national validation meetings planned in most countries from mid-April through end of May 2024. A coordination meeting of the Implementing and Executing Agencies in March 2024 exchanged information on the evolving child project design, identified common areas between countries, and re-established the need for common knowledge management, communications, gender and stakeholder engagement approaches with the global coordination project.



Major milestones through implementation

Implementation of the IP has not yet commenced.





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